

NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION
FOR THE
**RAYON AND SYNTHETIC YARN
PRODUCING INDUSTRY**

AS APPROVED ON MARCH 28, 1934



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Approved Code No. 14—Amendment No. 1

**AMENDMENT TO CODE OF FAIR COMPETITION
FOR THE**

**RAYON AND SYNTHETIC YARN PRODUCING
INDUSTRY**

As Approved on March 28, 1934

ORDER

**AMENDMENT TO CODE OF FAIR COMPETITION FOR THE RAYON AND
SYNTHETIC YARN PRODUCING INDUSTRY**

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for the approval of amendments to a Code of Fair Competition for the Rayon and Synthetic Yarn Producing Industry, and the annexed report on said amendments, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate, by reference, said annexed report, and do find that said amendments and the Code as constituted after being amended, comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and do hereby order that said amendments be and they are hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as amended.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

A. D. WHITESIDE,
Division Administrator.

MARCH 28, 1934.

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(1)

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the results of the Notice of Opportunity to File Objections to Amendments to The Rayon and Synthetic Yarn Producing Industry Code, which was published on March 5, 1934, with the provision that objections against the Proposed Amendments could be filed anytime prior to March 15, 1934. The Amendments, which are attached, were presented by duly qualified and authorized representatives of the Industry complying with statutory requirements and being the same agency that originally submitted the Code.

In accordance with customary procedure, all complaints received were given careful consideration and all statutory and regulatory requirements were complied with.

PROVISIONS OF THE AMENDMENTS

There are two Amendments as follows:

1. The first Amendment proposed is an Amendment for the purpose of clarifying the definition of the Industry and for the purpose of definitely including producers of Cellulose Acetate Yarn in the Code.

2. An Amendment setting up Administrative provisions in the Code so that the Industry can provide itself with a Legally constituted and effective Code Authority for administration of the Code.

FINDINGS

The Deputy Administrator in his final report to me on said Amendments to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

I find that:

(a) The Amendments to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act including the removal of obstruction to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of Industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products

through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) The Code as Amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof.

(c) The Rayon and Synthetic Yarn Producer's group, which consists of one member from each unit in the Industry, is truly representative of the Industry and has applied for or consents to these Amendments.

(d) The Amendments and the Code as Amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The Amendments and the Code as Amended are not designed to and will not eliminate or oppress small enterprises and will not discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said Amendments.

For these reasons these Amendments have been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

MARCH 28, 1934.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE RAYON AND SYNTHETIC YARN PRODUCING INDUSTRY

Amend Article II to read as follows:

ARTICLE II

1. The term "rayon and synthetic yarn producing industry" as used herein is defined to mean the manufacture of rayon and/or synthetic yarns from cellulose and/or cellulose acetate put up and packaged in forms suitable for the various consuming and fabricating branches of the textile industry.

2. The term "member of the industry" as used herein means and includes but without limitation any individual, partnership, association, corporation, or other form of enterprise engaged in the industry as defined herein.

Amend Article VIII by adding to the wording now appearing in the Code so that the completed Article will read as follows:

ARTICLE VIII

1. The industry shall set up within itself an agency to cooperate with the Administrator in the administration and enforcement of this Code.

2. A Code Authority is hereby constituted to cooperate with the Administrator in the administration of this Code. The Code Authority shall consist of as many persons as there are members of the Industry, to be selected in the following manner; each member of the industry shall select one representative who shall be a member of the Code Authority. In addition to membership as provided, there may be not more than three (3) members appointed by the Administrator to serve without vote and without expense to the industry.

3. In order that the Code Authority shall at all times be truly representative of the industry and in other respects comply with the provisions of the Act, the Administrator may prescribe such hearings as he may deem proper; and thereafter if he shall find that the Code Authority is not truly representative or does not in other respects comply with the provisions of the Act may require an appropriate modification in the method of selection of the Code Authority.

4. Members of the industry shall be entitled to participate in and share the benefits of the activities of the Code Authority and to participate in the selection of the members thereof by assenting to and complying with the requirements of this Code and sustaining their reasonable share of the expense of its administration.

Such reasonable share of the expenses of administration shall be determined by the Code Authority subject to review by the Administrator on the basis of volume of business and/or such other factors as may be deemed equitable.

5. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any members of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent or employee of the Code Authority. Nor shall any member of the Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Code, except for his own wilful misfeasance or malfeasance.

6. The Code Authority shall have the following further powers and duties:

(a) To undertake the execution of the provisions of this Code and to provide for the compliance of the industry with the provisions of this Code, and the By-Laws of the Code Authority, and the Act in accordance with such regulations as may be prescribed by the Administrator;

(b) To adopt By-Laws and rules and regulations for its procedure and for the administration and enforcement of the Code.

The method of voting to be followed at all meetings of the Code Authority shall be as follows: all determinations of the Code Authority shall be made by the affirmative vote of a majority of the Code Authority (or by duly-qualified alternates of individual members of the Code Authority). A majority of the Code Authority is defined to mean a majority in number which also represents at least fifty per cent of the productive capacity of the industry. "Productive capacity" for the purposes of this section shall be the productive capacity in pounds of one hundred and fifty (150) denier yarn, to be computed every three (3) months according to a method to be determined by the Code Authority, subject to the disapproval of the Administrator.

(c) To request and receive from members of the Industry such information and reports as are required for the administration of the Code. In addition to information which may be required to be submitted by the Code Authority, all or any of the persons subject to this Code shall furnish such statistical information as the Administrator may deem necessary for the purposes recited in Section 3 (a) of the Act to such Federal and State agencies as the Administrator may designate; nor shall anything in any Code relieve any person of existing obligations to furnish reports to Government agencies. No individual reports shall be disclosed to any other member of the Industry or any other party except to such governmental agencies as may be directed by the Administrator.

All reports, statistics and information required for the Administration of this Code by the Code Authority shall be transmitted to the offices of the Secretary of the Code Authority, or other impartial agency designated by the Code Authority, and such reports and information shall be kept confidential. No publication thereof in any manner shall be made to anyone other than in combination with similar information to be furnished by other members of the industry, provided that identification if individual reports shall be re-



moved, and that all records and data of the Code Authority shall be made available to the Administrator or his duly authorized agent. The type of reports, statistics and other information which may be requested by the Code Authority of members of the industry shall be subject to the approval of the Administrator.

(d) To make recommendations to the Administrator for the coordination of the administration of this Code with such other codes, if any, as may be related to the industry.

(e) To secure from members of the industry an equitable and proportionate payment of the reasonable expenses of maintaining the Code Authority and its activities.

(f) To cooperate with the Administrator in regulating the use of any N.R.A. insignia solely by those members of the industry who have assented to, and are complying with, this Code.

(g) To recommend to the Administrator additions, alterations, amendments or modifications of this Code provided that all such recommendations be submitted first to members of the industry for their approval and provided that no recommendation for addition, alteration, amendment, or modification of this Code or of Code Authority rules or regulations promulgated under this Code shall be made which binds any of the divisions of this industry, namely, viscose, acetate, nitrocellulose and/or cupra-ammonium without the approval of that division. Approval of a division is defined to mean approval by a majority in number of that division which also represents at least fifty percent of the productive capacity (as hereinabove defined) of that division. All proposals for additions, alterations, amendments or modifications of this Code made by members of the industry may be submitted in the first instance to the Code Authority for its consideration and for recommendations to the Administrator.

7. If the Administrator shall determine that any action of a Code Authority or any agency thereof may be unfair or unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such Code Authority or agency pending final action which shall not be effective unless the Administrator approves or unless he shall fail to disapprove after thirty days' notice to him of intention to proceed with such action in its original or modified form.

8. Any member of this industry shall have the right to appeal to the Administrator, under such rules and regulations as he may prescribe, in respect to any rule, regulation, or other course of action, issued or taken by the Code Authority. None of the powers or authorities vested by this Code in the Rayon and Synthetic Yarn Code Authority in respect of the operations of members of the Rayon and Synthetic Yarn Producing Industry shall be made effective in such manner as to preclude an appropriate review thereof by the Administrator.

Approved Code No. 14—Amendment No. 1.
Registry No. 259-01.